



Site of the proposed Inambari Dam
in the Peruvian Amazon.
Photo: Nathan Lujan

Brazil Eyes the Peruvian Amazon

WILD RIVERS AND INDIGENOUS PEOPLES AT RISK

The Peruvian Amazon is a treasure trove of biodiversity. Its aquatic ecosystems sustain bountiful fisheries, diverse wildlife, and the livelihoods of tens of thousands of people. White-water rivers flowing from the Andes provide rich sediments and nutrients to the Amazon mainstream. But this naturally wealthy landscape faces an ominous threat.

Brazil's emergence as a regional powerhouse has been accompanied by an expansionist energy policy and it is looking to its neighbors to help fuel its growth. The Brazilian government plans to build more than 60 dams in the Brazilian, Peruvian and Bolivian Amazon over the next two decades. These dams would destroy huge areas of rainforest through direct flooding and by opening up remote forest areas to logging, cattle ranching, mining, land speculation, poaching and plantations. Many of the planned dams will infringe on national parks, wildlife sanctuaries and some of the largest remaining wilderness areas in the Amazon Basin. By changing the natural cycles of the region's river systems – the lifeblood of the Amazon rainforest – large dams threaten the rainforest and the web of life it supports.

BRAZIL'S ROLE IN PERU'S AMAZON DAMS

In June 2010, the Brazilian and Peruvian governments signed an energy agreement that opens the door for Brazilian companies to build a series of large dams in the Peruvian Amazon. The energy produced is largely intended for export to Brazil. The first five dams – Inambari, Pakitzapango, Tambo 40, Tambo 60 and Mainique – would cost around US\$16 billion, and financing is anticipated to come from the Brazilian National Development Bank (BNDES).

The Peruvian government is hoping that the dams will boost foreign exchange earnings from energy exports, increase tax revenue, and help build local economies through the services and jobs required during dam construction. In a rush to



facilitate private investment, the government is pushing through two laws that would expedite approvals of dams, pipelines and road projects, and exempt them from obtaining environmental certifications as a prerequisite for concession approval.

The electricity inter-connection between Brazil and Peru is part of a broader energy integration scheme in Latin America. The dams would enable the integration of Brazil with the national systems of the Andean region, and in turn the Brazilian connection would link Argentina, Paraguay and Uruguay to the rest of South America. Brazilian electric utility Eletrobras is leading the evaluation of the projects' feasibility in cooperation with Brazilian private companies such as Engevix, OAS, Andrade Gutierrez and Odebrecht.

ASHANINKA REJECT PAKITZAPANGO DAM

One of the first projects in line to be built is the Pakitzapango Dam, which would wall off the Ene River with a 165-meter-high dam. The project is being developed by Brazilian construction giant Odebrecht and electric utility Eletrobras, which estimate that it will generate 2,000 megawatts (MW) mostly for export to Brazil. In addition to the Pakitzapango Dam, the Tambo 40, Tambo 60 and Sumabeni dams are also planned in the Ene-Tambo River Basin.

Ten Ashaninka communities with close to 10,000 people living on both sides of the Ene River would be displaced and their livelihoods harmed by Pakitzapango alone. The health of the Ene River is crucial for the Ashaninka indigenous people, who depend on its fish resources, the fertile soils of its floodplains, and the many foods and products in the surrounding forests. They also cultivate small plots of land on which they grow manioc, yams, peanuts, bananas and pineapples. The forest provides edible and medicinal roots, honey, and materials to make baskets and mats. Yet the reservoir would flood 734 square kilometers of forests, arable lands and water sources upon which the Ashaninka depend.

Even though Peru ratified Convention 169 of the International Labor Organization (ILO), which requires that indigenous and tribal peoples be consulted on issues that affect them, the Ashaninka people whose lands are legally protected have not been consulted about the Pakitzapango Dam.

The Ashaninka are one of the largest indigenous groups in the Peruvian Amazon, numbering close to 70,000. Although the Spaniards never conquered the Ashaninkas, the intrusion



Girl bathing on the Ene River, which is threatened by the Pakitzapango Dam. Photo: Jonathan McLeod

on their lands – first by rubber-tappers and missionaries, and later by settlers, guerrillas, coca growers and traffickers – brought about enslavement, torture, displacement and massacres. During the internal war in Peru in the 1980s and 1990s, the Maoist guerrilla group Shining Path gained control over areas of the Ene and Upper Tambo rivers. Many Ashaninka were forcibly displaced or enslaved, and close to 6,000 were killed. Thirty to forty communities disappeared.

Yet, the resiliency of the Ashaninka is extraordinary, and they maintain their ethnic identity. Today, they are fighting against illegal logging and coca growing, and are working on managing and protecting their forests. The Ashaninka Organization of the Rio Ene (CARE), initially created in 1993 to support the Ashaninkas after the war, is the leading Ashaninka organization working in defense of communities, forests, and lands, and to protect the Ene River.

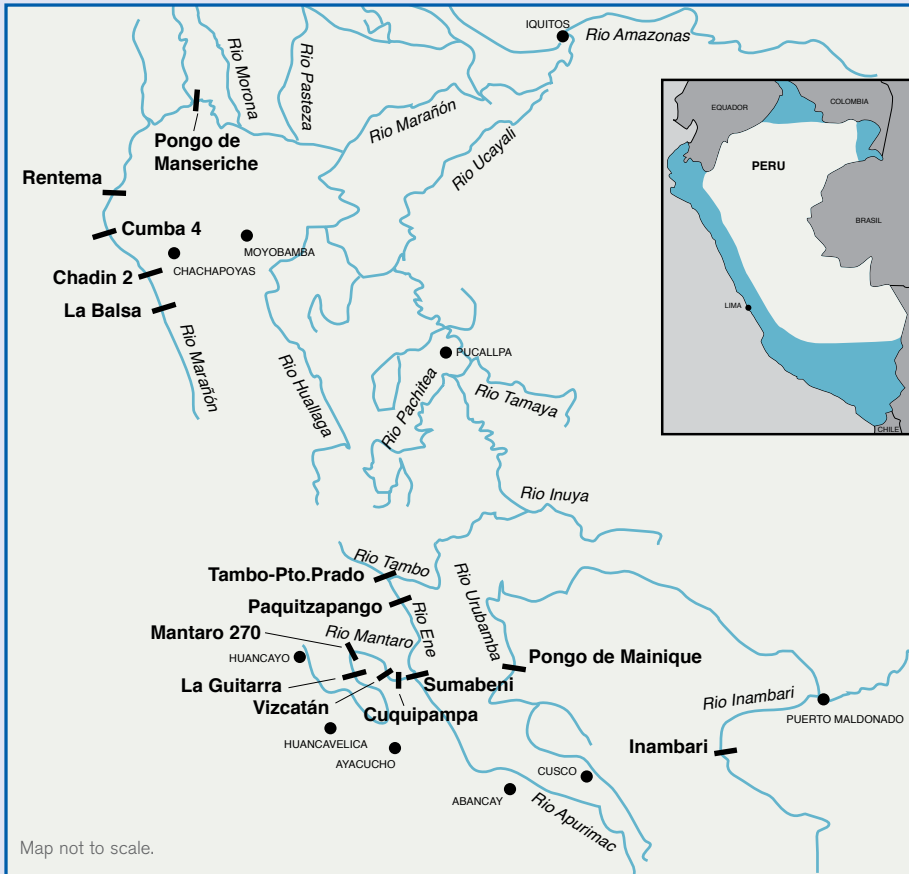
Pakitzapango Energia, S.A.C. obtained a temporary concession to conduct feasibility studies for the project in 2008. To counter this, CARE presented a legal administrative action against the project before the Ministry of Energy and Mines (MINEM) in 2010. MINEM established that the feasibility studies were not concluded within the time allowed, and resolved not to renew the temporary concession to Pakitzapango Energia. MINEM's decision has been appealed, and the case may end up in the Constitutional Court. Stopping construction of the Pakitzapango Dam and others planned for the Ene-Tambo River Basin is crucial for the survival of the Ashaninka as a people.

PAKITZAPANGO THREATENS AREAS OF HIGH BIODIVERSITY

Large areas of the region where the Pakitzapango Dam would be built are protected by the Otishi National Park, which connects to the Vilcabamba–Amoró Binational Corridor that links Peru and Bolivia, forming one of the last remaining contiguous forest ecosystems in the Andean-Amazonian region. Mainly mountainous with large areas of minimally disturbed forests, the area is endowed with astounding biodiversity characterized by endemic wild flora and fauna, some in danger of extinction.

Otishi (which means “summit” in Arawak) extends for 7,093 sq km, and was created in 2003 to conserve the stability and integrity of the soils and the waters of the Ene, Tambo and Urubamba river basins. Otishi National Park is home

Dams in the Peruvian Amazon



“For us the river does not generate money, the river gives us food, gives us life. The dam builders and oil, mining, and lumber companies want our resources, but we want development in concert with our culture. Dams are not a part of our development.”

– Ruth Buendia Mestoquiari, President of CARE



Ruth Buendia Mestoquiari.
Photo: Jonathan McLeod

to a large number of bird species, small and large mammals, amphibians, insects, butterflies, and much more. New species have been discovered here that are endemic to the region.

The Ashaninka Communal Reserve and the Machiguenga Communal Reserve were created as buffer zones to Otishi. Communities fear that construction of the Pakitzapango Dam and the associated transmission line corridor would open the buffer zones to logging and petroleum interests. Roads would make possible a wave of colonization, disrupting indigenous communities and causing environmental destruction, which eventually would reach Otishi.

INAMBARI DAM

Another project likely to be fast-tracked under the Brazil-Peru Energy Agreement is the Inambari Dam on the Inambari River in Puno, Cusco and Madre de Dios states, 300 km from the Brazil border. If built, the massive \$4 billion project would form a reservoir of 410 sq km. The dam would be the first in a proposed cascade which, as well as generating electricity, would also send water during times of

drought to Brazilian dams Jirau and Santo Antonio on the Madeira River. Companies in EGASUR – the Brazilian-Peruvian consortium created to build the project – have stated they have received promises of a \$2.5 million loan from the Brazilian National Development Bank (BNDES) for the project.

The Bahuaja-Sonene National Park, a world-class sanctuary of high biodiversity, would be threatened as new roads are built, leading to increased colonization, forest burning, cattle ranching and large farms, hunting, and erosion.

Fifty small towns would be either flooded by the dam or their economy and transportation harmed, and close to 15,000 people would be displaced. Most people are migrants from the highlands of Puno State, who began to arrive 50 years ago. The newcomers began to grow cacao, pineapple, bananas and manioc. Others do small-scale fishing, or artisanal gold mining along the Inambari. A 100 km stretch of the Inter-Oceanic Highway (built by Brazil, not yet paid for by Peru) would also be flooded.

Communities from towns like San Gaban – which would be destroyed by the construction of the wall of the Inambari Dam through it – have held numerous protests over several years. Road blockades on main roads that give access to cities are regular occurrences, and signs of “No to Inambari Dam” can be found in many towns along the river. The Native Federation of Madre de Dios River (FENAMAD), comprised of several indigenous groups and other downstream communities in Madre de Dios State, have demanded cancellation of the project. They say they have not been consulted, and are concerned about the risks of extinction that isolated indigenous people would face. Downstream communities have not been made aware of the impacts that cutting off the river’s flow would have on them.

Due to opposition to the project, required public consultations have not taken place, and the company has not been able to submit the Environmental Impact Assessment (EIA). EGASUR currently lacks permits to build the project, but if legislation that exempts companies from presenting an EIA are approved, EGASUR could obtain construction permits soon.

OTHER SOURCES OF ENERGY ARE POSSIBLE

The Peruvian government, which has yet to produce a long-term national energy plan, is now at a decision-making point for shaping the country’s energy plan for decades to come. The government has shown signs of seeking and developing alternative sources of energy. Peru is renewable energy-rich, with close to 30,000 MW of non-dam renewable energy potential.

In May 2008 the Peruvian government passed a law to create incentives for the development of biomass, wind, solar, tidal and geothermal energy, and of hydroelectric power plants under 20 MW. The law guarantees a 12% rate of return for investments and gives priority to their dispatch into the national grid. As their generation costs are higher than the average cost of the present mix of mainly hydroelectric and natural gas power stations, a small increase in electricity tariffs would pay for them.

The Wind Atlas of Peru shows that the country has 22,000 MW in wind power potential. Three wind farms on the Pacific coast with an installed capacity of 142 MW will begin operations in 2012 and other wind projects are expected to be developed in the short-term.

The southern coast of Peru has favorable conditions for solar energy development. In 2010, contracts were granted for four photovoltaic plants with a total installed capacity of 80 MW to supply energy over a period of 20 years. The four plants in the southern regions of Arequipa, Tacna and Moquegua are expected to begin operations in 2012.

In 2008, the “Promotion of Efficient Energy Use” law was

approved, aiming to develop a national culture for energy efficiency through programs and education, promotion of cogeneration and distributed generation. Additional regulation supports the replacement of incandescent lights by compact fluorescent bulbs. Energy efficiency labeling guidelines were recently issued to help consumers in their selection of efficient appliances. There is great potential for energy conservation in Peru, and with a concerted effort by government, substantial energy savings could be realized.

The government claims that the energy produced by the hydroelectric projects would be cheap for Peruvians, but this might not be the case. The feasibility study for the proposed Inambari Dam shows that the generation cost is higher than current national electricity tariffs. What’s more, the high social and environmental costs – which would be transferred to the Peruvian people – have not been taken into account.

While Peru claims it will generate much-needed foreign exchange for the country through selling power to Brazil, the high costs of damming the Peruvian Amazon may outweigh its benefits.

CAMPAIGN TO SAVE THE RIVERS OF THE PERUVIAN AMAZON

CARE is leading a powerful national and international campaign for the protection of the Ene River and Ashaninka communities, and in opposition to planned dams. Ashaninka communities demand that their rights as indigenous people are respected under international law. They have already filed legal actions that have temporarily halted construction of the project, and insist that the government of Brazil respect the decisions of the Ashaninka people and call off any negotiation regarding the Pakitzapango Dam.

Communities from the Puno area continue to hold marches, roadblocks, meetings and strikes pressing for cancellation of Inambari Dam. They are exploring legal actions to stop the project. Local group FENAMAD has made alliances with other affected peoples to strengthen their opposition. Local NGOs are lobbying congress to modify the energy agreement made between Peru and Brazil, and a strong movement for the protection of the Amazon rivers of Peru is growing.

Join the movement to protect the rivers of the Peruvian Amazon at internationalrivers.org/en/peru.

RESOURCES

For further information, visit the following websites:

Central Ashaninka del Rio Ene (CARE)
<http://ashanincare.org/>

Derecho, Ambiente y Recursos Naturales
<http://www.dar.org.pe/>

JOIN US!

For more information, visit: internationalrivers.org/en/peru